

Regulations of the work of the Audit

Items proposed for amendment to the work regulations of the Audit Committee - Arabian Pipes Company

Current items (after modification)	Existing clauses (before amendment)
<p>Article 1 : Reference and Definitions :</p> <p>The "Regulations of the Audit Committee" has been prepared to meet the requirements of paragraph (e) of Article (51) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority by virtue of Resolution No . 8-16-2017 dated 16/5/1438 AH corresponding to 13/12/2017AD , as amended by the Board of the Capital Market Authority Resolution No . 8-5-2023dated 25/6/1444AH corresponding to 18/1/2023 , which stipulated that "the General Assembly of the shareholders of the Company shall issue – upon the proposal of the Board of Directors – the work regulations of the Audit Committee , provided that these regulations include the controls and procedures of the work of the Committee , its tasks , the rules for the selection of its members , how to nominate them , the duration of their membership , their remuneration , and the mechanism for appointing its members temporarily in the event of a vacancy in one of the seats of the Committee . The words and phrases mentioned in these regulations shall have the</p>	<p>Article 1 : Preamble , Definitions and Objectives :</p> <p>A The work regulations of the Audit Committee have been prepared for the provisions of Chapter Four of the Companies Law , and the provisions of paragraph (c) of Article 54 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No . (16-2017-8) dated : 16/5/1438 AH corresponding to 13/12/2017AD .</p> <p>) The following terms and phrases mean the explanations provided next to them unless the context of the text indicates otherwise :</p> <p>a)</p> <p>b) - "Regulations" : The working regulations of the Audit Committee .</p> <p>c) - "Governance Regulations" : The corporate governance regulations issued by the Capital Market Authority Board .</p> <p>Company : Arabian Pipes Company</p> <p>General Assembly : An association formed from the shareholders of the company under the provisions of the Companies Law and the Company's Articles of Association , the basis of the Board of Directors or the Board of Directors of the Arabian Pipes Company .</p> <p>Committee : The Audit Committee of the Arabian Pipes Company .</p> <p>d) The regulation aims to clarify the controls and procedures of the work of the committee , its tasks , the rules for selecting its members ,</p>

<p>meanings explained to them in the relevant regulations of the Capital Market Authority , unless the context requires otherwise .</p> <p>"Regulations" : The operational regulations of the Audit Committee .</p> <p>"Governance Regulations" : The corporate governance regulations issued by the Capital Market Authority Board .</p> <p>Company: Arabian Pipes Company</p> <p>General Assembly : An association formed from the shareholders of the company under the provisions of the Companies Law and the Company's Articles of Association</p> <p>Board of Directors : Board of Directors of Arabian Pipes Company .</p> <p>Committee : The Audit Committee of the Arabian Pipes Company .</p>	<p>how to nominate them , the duration of their membership and remuneration , and the mechanism for appointing its members temporarily in the event of a vacancy in one of the seats of the committee .</p>
<p>Article Two : Rules , Composition , Term and Conditions of Membership :</p> <ol style="list-style-type: none"> 1. The committee shall be formed by a decision of the Board of Directors , provided that it includes at least one independent member and that it does not include any of the executive members of the Board of Directors . 2. The number of members must not be less than three and not more than five , and one of them must be a specialist in financial and accounting affairs . 	<p>Article Two : Composition , Term and Conditions of Membership :</p> <ol style="list-style-type: none"> a) The committee shall be formed by a decision of the General Assembly – based on the proposal of the Board of Directors – of three members from shareholders or others , provided that they include at least one independent member and that they do not include any of the executive members of the Board of Directors , and that they include a specialist in financial and accounting affairs . b) The term of the committee shall be three years , renewable , provided that it begins with the beginning of the session of the Board of Directors and ends with the end of the session of the Board of Directors . c) The Chairman of the Board of Directors may not be a member of the Committee and no one who works or has worked during

3. The term of membership of the Committee shall be at the beginning of the session of the Board of Directors and shall end at the end of the session of the Board of Directors . They may be reappointed for a similar period .
4. It is not permissible for the Chairman of the Board of Directors to be a member of the Committee , and it is not permissible for those who work or have worked during the past two years in the executive or financial management of the company or its auditor to be a member of the Committee .
5. The Board of Directors of the Company shall appoint one of the members of the Committee as its Chairman . In the event that the Chairman of the Committee is absent from one of its meetings , the remaining members of the Committee present shall elect one of them to assume the chairmanship of the meeting .
6. The membership of the committee member shall expire at the end of its term or in any of the following cases :
 - Death .
 - Resignation

The last two years in the executive or financial management of the company or with its auditor to be a member of the committee .

- d) In addition to the conditions imposed by relevant regulatory frameworks , a committee member must possess the appropriate expertise and qualifications for the committee's work and responsibilities . They should adhere to principles of honesty , integrity , loyalty , care , and concern for the interests of the company and shareholders , prioritizing them over personal interests . Additionally , they must comply with the company's requirements , policies , and regulations regarding conflicts of interest and disclosure .
- e) The members of the committee shall appoint from among them a chairman .
- f) The membership of the committee member shall expire at the end of its term or in any of the following cases :
 - Death .
 - Resignation
 - Termination of his membership in the Council for the members of the Council
 - Expiry of its validity for membership of the Committee in accordance with any law or instructions in force in the Kingdom .
 - Isolation by the General Assembly without prejudice to the right of isolation to compensation if the isolation occurs for an unacceptable reason or at an inappropriate time .

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| <ul style="list-style-type: none"> • Isolation by the General Assembly without prejudice to the right of isolation to compensation if the isolation occurs for an unacceptable reason or at an inappropriate time . • Absence of biting and attending three consecutive meetings or five separate meetings without a legitimate excuse . <p>7. In the event that one of the seats of the Committee is vacant for any reason during the term of membership or the number of its members is less than the minimum , the Board of Directors shall have the right to appoint a member or members of the vacant position , provided that they meet the sufficient experience and criteria for membership of the Committee .</p> <p>8. The committee shall appoint a secretary for it , whether from its members or from whom it deems appropriate from the company's management to carry out the preparation of meetings and the work of the committee .</p> <p>9. The Company shall notify the Capital Market Authority of the names of the members of the Committee and their membership qualities upon their appointment and any changes thereto during the statutory period specified by the Governance Regulations .</p> | <ul style="list-style-type: none"> • Termination of his membership by the General Assembly for his absence from attending three consecutive meetings of the Committee without a legitimate excuse on the recommendation of the Committee . <p>g) The board of directors may – upon the expiry of the membership of the committee member during the term of membership for any of the reasons set out in the regulation – appoint a temporary replacement member to the committee , provided that he meets the conditions for membership , and that his appointment is presented to the association at its nearest meeting to obtain its approval for that , and the member completes the term of his predecessor .</p> <p>h) The Company shall notify the Capital Market Authority of the names of the members of the Committee , their membership qualities upon their appointment , and any changes thereto within the statutory period specified by the Governance Regulations .</p> |
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Article Three : The Committee's Duties and Responsibilities

- a) The Committee shall review and re-evaluate the adequacy of the tasks , rules and controls included in these Regulations from time to time , and recommend any proposed changes to the Board of Directors , which in turn shall study and recommend them to the General Assembly of Shareholders .
- b) The committee is responsible for monitoring the company's operations and ensuring the integrity and reliability of its reports , financial statements , and internal control systems . The committee's tasks include the following :
- c) **Financial Reports :**

- a) **Article 3 : The Committee's Tasks and Responsibilities :**
- b) The Committee shall study the topics it is concerned with or that are referred to it by the Board of Directors and submit its recommendations to the Board of Directors for decision or to take decisions if authorized by the Board . The Committee shall inform the Board of Directors of its findings , decisions or recommendations .
- c) The committee is responsible for overseeing the company's operations and verifying the integrity and accuracy of its reports , financial statements , and internal control systems . The committee's tasks specifically include :
Financial reporting currency

- a) Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity , fairness and transparency .
- b) Providing technical opinion , upon the request of the Board of Directors , on whether the Board's report and the company's financial statements are fair , balanced , understandable , and include information that enables shareholders and investors to assess the company's financial position , performance , business model , and strategy .
- c) Study any important or unusual issues included in the financial reports
- d) Accurately investigating any issues raised by the Company's Chief Financial Officer or any person assuming his/her duties or the Company's Compliance Officer or External Auditor .
- e) Verifying accounting estimates on material matters contained in financial reports .
- f) Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon .

Internal Audit

- a) examine and review the Company's internal and financial control systems and risk management system;
- b) Studying the internal audit reports and following up on the implementation of corrective measures for the observations contained therein
- c) Monitoring and supervising the performance and activities of the internal auditor and the internal audit department in the

- a) Studying the quarterly and annual financial statements of the company before presenting them to the Board of Directors , expressing opinions on them , and making recommendations to ensure their integrity , fairness , and transparency .
- b)
- c) Providing technical opinion , upon the request of the Board of Directors , on whether the Board's report and the company's financial statements are fair , balanced , understandable , and include information that enables shareholders and investors to assess the company's financial position , performance , business model , and strategy .
- d) Study any important or unusual issues included in the financial reports
- e) Thoroughly investigate any issues raised by the company's Chief Financial Officer , their designate , the compliance officer , or the auditor .
- f) Verifying accounting estimates on material matters contained in financial reports .
- g) Examining the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon .

Internal Audit

- a) Review the Internal Audit Department's regulation and organizational structure and approve audit plans once a year .
- b) Studying the internal audit reports and following up on the implementation of corrective measures for the observations contained therein
- c) Monitoring and supervising the performance and activities of

Company , to verify the availability of the necessary resources and their effectiveness in performing the work and tasks entrusted thereto .

- d) Providing recommendations to Board of Directors on the appointment of the Manager of Internal Audit Unit/ Department or the Internal Auditor and proposing his remuneration .
- e) Promote direct communication between the Committee and the Internal Audit Department .
- f) Verify the independence and impartiality of the internal auditor and the employees of the internal audit department and enable them to perform their work effectively .

4- Auditor :

- a) Providing recommendations to the Board to nominate Auditors , dismiss them , determine their remunerations , and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts .
- b) Verifying the independence of the Auditor , its objectivity , fairness , and effectiveness of the audit activities , taking into account the relevant rules and standards .
- c) Reviewing the plan of the company's auditor and his work and verifying that he does not submit technical or administrative works that are outside the scope of

the internal auditor and the internal audit department in the company , to verify the availability of the necessary materials and their effectiveness in the performance of the work and the tasks assigned to it .

- d) د) Recommending to the Board of Directors the appointment of the head of the internal audit unit or department , or the internal auditor , and proposing their remuneration .
- e) Promote direct communication between the Committee and the Internal Audit Department . As well as meeting with the Head of Internal Audit on a regular basis to discuss any appropriate matters .

4- Auditor :

- a) Recommending to the Board of Directors the nomination of auditors , their dismissal , determining their fees , and evaluating their performance after verifying their independence , reviewing their scope of work , and contract terms .
- b)
- c) Verifying the independence , objectivity , and fairness of auditors , and the effectiveness of their audit work , taking into account relevant rules and standards .
- d)
- e) Reviewing the company's audit plan and activities , ensuring that they do not provide technical or managerial services beyond the scope of audit work , and expressing opinions on this matter .

Review work and give its views on it .

- d) (D) Answering the inquiries of the auditor of companies .
- e) (E) Verifying that the auditor is able to perform his work and that there is no overlap or deficiency in the performance of his tasks and that information is not withheld from him .
- f) هـ) Studying the reports and observations of the auditors on the financial statements , expressing opinions on them , and following up on actions taken regarding them .

3 . Ensuring compliance :

- a) Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith .
- b) Ensuring the Company's compliance with the relevant laws , regulations , policies and instructions .
- c) Raise any issues it deems necessary to take action on to the Board of Directors , and express its recommendations on the measures that must be taken .
- d) Reviewing the contracts and proposed transactions by the Company with related parties , and providing its recommendations to the Board in connection therewith .

- f) و) Responding to inquiries from company auditors .
- g) Verify that the auditor is able to perform his work and that information is not withheld from him .
- h) ح) Studying the reports and observations of the auditors on the financial statements and following up on actions taken regarding them .

3 . Ensuring compliance :

- a) Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith .
- b) Ensuring the Company's compliance with the relevant laws , regulations , policies and instructions .
- c)

Article Four : Meetings , Procedures and Controls of the Work of the Committee :

- a) The committee shall hold its meetings periodically , provided that it is not less than a quarter of the time during the financial year of the company , and whenever the need arises for this at the company's headquarters or through modern technology means .
- b) The committee shall meet periodically with the company's auditor and with its internal auditor . The internal auditor and the auditor may request the meeting from the committee whenever the need arises .
- c) The meeting of the committee shall not be valid except in the presence of the majority of its members , and its decisions shall be issued by a majority of the votes of those present . When the votes are asked , the side with which the chairman of the meeting voted shall prevail .
- d) The invitation to attend the meetings of the Committee shall be issued by the Chairman of the Committee or his authorized member of the Committee or by the Secretary sufficiently in advance of the date of the meeting . The members of the Committee shall also be provided with the agenda of the meeting and the necessary documents sufficiently in advance of the date of the meeting .

. Article 4 : Meetings

Raise any issues deemed necessary for action by the Board of Directors and provide recommendations on the actions to be taken . : .

- a) **The Committee shall hold its meetings periodically , provided that it shall not be less than four times during the financial year of the Company and when the Chairman of the Committee deems it appropriate .**
- b) **The committee shall meet at the invitation of its chairman or at the request of two of its members or the secretary of the committee .**
- c) **The committee shall meet periodically with the company's auditor and with its internal auditor . The internal auditor and the auditor may request the meeting from the committee whenever the need arises .**
- d) **The invitation to the meeting shall be sent to each of the members at least five days before the date of the meeting accompanied by the agenda of the meeting and the necessary documents and information , unless it is summoned or the meeting is held on an emergency basis , in which case the invitation to the meeting may be sent accompanied by the agenda of the meeting and the necessary documents and information within a period of less than five days from the date of the meeting .**

- e) In the event that the Chairman of the Committee is unable to attend , he may delegate one of its members to chair the meeting .
- f) In the event that the member is unable to attend the meeting in person , the member may represent another member of the committee on his behalf , and the member of the committee present in person may not represent more than one member in the same meeting .
- g) The secretary of the committee shall organize the meetings of the committee , record the minutes of the meetings and the discussions , document the recommendations of the committee and the results of the vote , keep them in a special and organized register , list the names of the members present and the reservations they have made , and sign these minutes from all members and the secretary . These minutes shall be kept in the company's documents .
- h) The Committee shall determine his remuneration and the method of its disbursement .
- i) ط) No member of the Board of Directors or executive management , except for the committee secretary and committee members , is allowed to attend its meetings unless the committee requests their opinion or seeks their advice .
- j) It is permissible to approve the minutes of the committee and its decisions by passing through modern technology means .

- e) The meeting of the committee shall not be valid unless the majority of its members are present .
- f) If the member of the committee expresses a reservation or a different opinion to the decision of the committee , it must be confirmed in the minutes of the meeting of the committee .
- g) The committee chooses a secret for it .
- h) The Secretary of the Committee shall coordinate the dates of the meetings of the Committee on an annual basis and ensure that the dates are suitable for all members .
- i) The Committee shall adopt its agenda as soon as it convenes . In the event that any member objects to this schedule , this shall be recorded in the minutes of the meeting of the Committee .
- j) Each member of the Board is entitled to propose additional items to the agenda .
- k) Members who are unable to attend may attend the meetings of the Committee and vote on the decisions taken in them through modern technology . His attendance shall be considered effective .
- l) The committee may invite any non-members it deems appropriate to attend the meeting without having the right to vote .
- m) The committee shall issue its decisions by a majority vote of the members present .

This article shall be deleted after adding the points shown among the points in Article 4

Article 5 : Committee Meeting Minutes :

- a) The Secretary of the Committee shall document the meetings of the Committee , prepare minutes for it , including the discussions , extensions and documents the recommendations of the Committee and the results of the vote , keep them in a special and organized record , indicate the names of the members present and the reservations they have made – if any - and sign these minutes from all the members present .
- b) The Secretary of the Committee shall send to the Chairman and members of the Committee a draft of the minutes of the meeting within (10) ten working days from the date of the meeting to review them and make their observations (if any) within (10) ten days from the date of sending and then send to the members for signature after correcting the members' observations if any .

Article 8 : Powers of the Committee :

In order to perform its duties , the Committee :

Review the Company's records and documents .

To request any clarification or statement from the members of the Board of Directors or the Executive Management .

To request to meet with the Chief Executive Officer or his representative , or any other official in the company , such as : the Chief Financial Officer , to attend the meetings of the Committee to discuss matters related to the internal control system , financial statements , audit work and other matters related to the work of the Committee .

To request the Board of Directors to invite the General Assembly to convene if the Board of Directors hinders its work or the Company suffers serious damages or losses .

Article 6 : Powers of the Committee :

In order to perform its duties , the Committee :

Review the Company's records and documents .

2 . To request clarification or explanation from the members of the Board of Directors or the executive management .

To request a meeting with such of the Company's employees as it deems fit .

	<p>. To request the Board of Directors to convene the general assembly if the Board obstructs its work or if the company incurs significant damages or losses . . .</p>
<p>Article 30 – Reports by the Committee</p> <p>The Committee shall submit the minutes of its meetings to the Board of Directors on a periodic basis determined by the Committee at the beginning of each year .</p> <p>The minutes include , but are not limited to , the following :</p> <p>The Committee reports to the Board of Directors on its work and activities .</p> <p>Reports of the Audit Committee on the Company's internal control systems .</p> <p>Recommendations to the Board of Directors for the selection of external auditors for the coming year .</p> <p>The annual plan of the Audit Committee .</p> <p>The Committee and its point of view on the fairness and integrity of the annual financial statements of the company .</p>	<p>Article 30 – Reports by the Committee</p> <p>The Committee shall submit the minutes of its meetings to the Board of Directors on a periodic basis determined by the Committee at the beginning of each year .</p> <p>The minutes include , but are not limited to , the following :</p> <p>Reports of the Committee to the Board of Directors on its work and activities .</p> <p>Reports of the Audit Committee on the internal dome systems of the company .</p> <p>Recommendations to the Board of Directors for the selection of external auditors for the next year .</p> <p>Audit Committee Annual Plan</p>

<p>The Audit Committee shall prepare a report on its opinion on the adequacy of the internal control system in the company and on other work it has carried out within the scope of its competence . The Board of Directors shall deposit sufficient copies of this report at the company's headquarters and publish it on the website of the market when the invitation to convene the general assembly is published so that the shareholders can obtain a copy of it . The report shall be read during the meeting .</p>	<p>The Committee and its point of view on the fairness and safety of the company's annual financial statements .</p> <p>The Committee shall also prepare an annual report on the adequacy of the internal control system in the company and on other work carried out within its competence . The Board shall deposit sufficient copies of this report at the company's headquarters at least ten days before the meeting . This report shall be read during the meeting .</p>
<p>Article Seven : Conflict between the Committee and the Board of Directors :</p> <p>If a conflict arises between the recommendations of the Audit Committee and the Board resolutions , or if the Board refuses to put the Committee's recommendations into action as to appointing or dismissal the Company's external auditor or determining its remuneration , assessing its performance or appointing the internal auditor , the Board's report shall include the Committee's recommendations and justifications , and the reasons for not following such recommendations .</p>	<p>Article 8 : Conflict between the Committee and the Board of Directors :</p> <p>If there is a conflict between the recommendations of the Committee and the decisions of the Board of Directors , or if the Board refuses to accept the recommendation of the Committee regarding the appointment and dismissal of the auditor of the company , the determination of his remuneration , the evaluation of his department , or the appointment of the internal auditor ,</p>

<p>The report of the Board of Directors must include the recommendation and justifications of the Committee , and the reasons for not taking them into account .</p>	<p>The report of the Board of Directors included the recommendation and justifications of the Committee , and the reasons for not taking them .</p>
<p>Article 8 : Confidentiality of the work of the Committee</p> <p>The members of the committee shall maintain the confidentiality of the information made available to them and the documents related to the company and shall not disclose them to any person or third parties , and they may not in any case , even after the end of their membership , in order to achieve an interest for them or for anyone else . This applies to the secretary of the committee .</p>	<p>New article</p>
<p>Article (12) Remuneration of Committee Members :</p> <ol style="list-style-type: none"> 1. The annual remuneration of the members of the Committee shall be determined based on the remuneration and compensation policy of the members of the Board of Directors approved by the General Assembly 2 7 . The members of the Committee shall be paid all the actual expenses they incurred in order to attend the meetings of the Committee , including travel , accommodation and accommodation expenses . 	<ol style="list-style-type: none"> 1- Article 9 : Committee Members' Remuneration : 2- The member of the Committee shall be entitled to the remuneration and allowances prescribed within the approved remuneration and compensation policy of the members of the Board of Directors . 3- The members of the Committee shall be paid all the actual expenses they incurred in order to attend the meetings of the

	Committee , including travel , accommodation and accommodation expenses
<p>Article Ten : Final Provisions :</p> <p>The regulation shall be effective (and any subsequent amendments thereto) based on the proposal of the Board of Directors from the date of its approval by the General Assembly .</p>	<p><u>Article Eleven : Accreditation and Publication :</u></p> <p>The regulation shall be effective (and any subsequent amendments thereto) based on the proposal of the Board of Directors from the date of its approval by the General Assembly , and the Company shall publish it to the shareholders and the public through its website and in accordance with any statutory requirements imposed by the regulators .</p>

Remuneration and Nomination Committee Work Regulations

Items proposed to be amended to the Regulations of the Work of the Remuneration and Remuneration Committee - Arabian Pipes Company

Current items (after modification)	Existing clauses (before amendment)
<p>First : Introduction : (new paragraph)</p> <p>The "Work Regulations of the Nomination and Remuneration Committee emanating from the Board of Directors of the Arab Pipes Company" aims to comply with Articles (57 , 61) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No . 8/16/2017 dated 16/5/1438 AH corresponding to 13/02/2017AD , as amended by the Board of Directors of the Capital Market Authority Resolution No . 8-5-2023 dated 25/6/1444 AH corresponding to 18/1/2023 AD , which requires that the General Assembly of the Company's shareholders – based on a proposal by the Board of Directors – issue the work regulations of the Nomination and Remuneration Committee , provided that this regulation includes the controls and procedures of the work of the Committee , its tasks , the rules for the selection of its members , the duration of their membership and their remuneration .</p>	

<p>Second : Definitions</p> <p>The following terms shall have the meanings assigned to them whenever they appear in this regulation .</p> <p>Company : Arabian Pipes Company</p> <p>:The Board of Directors of the Company</p> <p>Nomination and Remuneration Committee :</p> <p>Rules : Rules for selecting committee members issued by the general assembly of the company .</p> <p>Non-Executive Member : A member of the Board of Directors who provides opinion and technical advice and is not involved in any way in the management of the Company and the follow-up of its daily work and does not receive a monthly or annual salary .</p> <p>Independent members : Members of the Board of Directors who enjoy full independence as defined in the Governance Regulations issued by the Capital Market Authority .</p> <p>. Senior executives : Individuals entrusted with managing the day-to-day operations of the company , proposing strategic decisions , and overseeing their implementation , such as the CEO , their deputies , and the CFO . . .</p>	<p>5 . Definitions</p> <p>The following terms shall have the meanings assigned to them whenever they appear in this regulation .</p> <p>Company : Arabian Pipes Company</p> <p>:The Board of Directors of the Company</p> <p>Nomination and Remuneration Committee :</p> <p>Rules : Rules for selecting committee members issued by the general assembly of the company .</p> <p>Non-Executive Member : A member of the Board of Directors who provides opinion and technical advice and is not involved in any way in the management of the Company and the follow-up of its daily work and does not receive a monthly or annual salary .</p> <p>Independent members : Members of the Board of Directors who enjoy full independence as defined in the Governance Regulations issued by the Capital Market Authority .</p> <p>. Chief executives : Individuals responsible for managing the daily operations of the company and proposing strategic decisions for implementation , such as the CEO , their deputies , and the CFO .</p>
<p>The material is deleted after adding the introduction</p>	<p>2 . Composition and Subordination of the Committee :</p>

	<p>This committee shall be formed by a decision issued by the Board of Directors , and the committee shall report directly to the Board , provided</p>
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	that the General Assembly of the Company – upon the proposal of the Board of Directors – issues the work regulations of the Nomination and Remuneration Committee .
<p>Third : Rules for the selection of members of the Nomination and Remuneration Committee , how they are nominated and the duration of their membership :</p> <ol style="list-style-type: none"> The Nomination and Remuneration Committee shall be formed by a decision of the Board of Directors starting at the beginning of the session of the Board of Directors and their term of membership shall end at the end of the session of the Board of Directors . The committee shall consist of at least three members and not more than five members . When it is formed , it shall be taken into account that its members shall be non-executive members of the board , provided that they include an independent member of the board of directors . The members of the Committee shall appoint one of its members as the Chairman of the Committee , provided that he is an independent member . The Chairman of the Board of Directors may not hold the position of the Chairman of the Committee . The members of the committee must have the appropriate experience and qualifications related to the tasks and responsibilities of the committee and the nature of its work . The membership of the members of the Committee shall end in one of the following cases : <ul style="list-style-type: none"> Issuance of a decision by the Board of Directors to dismiss them . 	<p>3 . "The rules for selecting committee members ." : .</p> <ol style="list-style-type: none"> The number of members of the committee shall be at least three , and at least one of the members shall be independent . Whoever is nominated for membership of the committee must be a non-executive member of the board , and the membership of the committee member expires if his membership in the board of directors expires for any reason . The members of the committee are appointed or dismissed by a decision of the board of directors . The term of membership of the committee is three years or ends at the end of the session of the board . The board of directors may always reappoint the members of the committee . If the position of a member of the committee becomes vacant , the board shall , at its first meeting , appoint another member to complete the term of his predecessor . The member of the committee shall abide by what the member of the board of directors is committed to , such as preserving the secrets of the company , and the members of the committee may not broadcast to the shareholders or others what they have stood or approved .

<ul style="list-style-type: none"> • Absence from attending three consecutive meetings or five separate meetings without a legitimate excuse . <p>6. If the position of a member of the Committee becomes vacant , the Board of Directors shall , at its first meeting , appoint a member to the vacant position . The Capital Market Authority shall be notified within the statutory period from the date of appointment .</p> <p>7. The Company shall notify the Capital Market Authority of the names of the . Committee and their membership qualities upon their appointment or any changes thereto within the statutory period specified in the Corporate Governance Regulations issued by the Authority .</p>	
<p>Secretary of the Committee</p> <p>The committee shall select a secretary from among its members or from among the company's employees , and he shall do the following :</p> <ol style="list-style-type: none"> 1. the tasks of preparing the activities of the committee and documenting the minutes . 2. "Follow-up on implementing the committee's recommendations and 	<p>Secretariat of the Commission</p> <p>The Committee shall select a Secretary , who shall be entrusted with the task of proving the deliberations and decisions of the Committee , and shall assume the administrative work of the Committee .</p>

<p>decisions ."</p> <p>3. Keeping documents and records that are presented to the committee .</p> <p>4. Coordinate with the Chairman of the Committee during the meetings of the Committee in order to prepare correspondence and direct it to the members of the Committee or relevant parties to set the dates of the meetings or invite them .</p>	
<p>5. Carries out matters related to nomination for membership of the Board of Directors in cooperation with the Governance Officer .</p> <p>6. The Committee shall determine his remuneration and the method of its disbursement .</p>	
<p>Fifth : Meetings , controls and procedures of the Committee's work</p> <p>1. The committee shall meet at least once a year at the invitation of its chairman or at the invitation of one of its members at the company's headquarters or in any other place . It may hold its meeting by means of modern technology .</p> <p>2. The meeting of the Committee shall be valid only if a majority of its members are present .</p> <p>3. The Committee may invite any members of the Board of Directors and/or employees of the Executive Management or an external consultant to attend its meetings .</p> <p>4. The participation of the members of the Committee by means of modern technology is considered as if it was attended by Asala .</p> <p>5. The committee shall take decisions by passing unless one of the members</p>	<p>5. Meetings and Quorum</p> <p>1. The Committee shall meet at the invitation of its Chairman or at the invitation of one of its members , the Chairman of the Board , or the Chief Executive Officer of the Company .</p> <p>2. The Committee shall meet at least once a year .</p> <p>3. The Committee may invite any members of the Board of Directors and/or employees of the Executive Management or an external consultant to attend its meetings .</p> <p>4. The meeting of the Committee shall be valid only in the presence of at least two of its members .</p> <p>5. Decisions of the Committee shall be taken by a majority vote of the members present .</p>

<p>requests to discuss the decision at a meeting attended by the members .</p> <p>6. The decisions of the Committee shall be issued by a majority of the members present at the meeting . In the event of an equality of votes , the opinion voted by the chairman of the meeting shall prevail .</p> <p>7. The Secretary of the Committee shall prepare the draft minutes of the meetings of the Committee and send them to the Chairman and members of the Committee to make any observations .</p> <p>8. It is permissible to use modern technology to sign the minutes and prove decisions and observations .</p>	<p>6. The committee shall take decisions by passing unless one of the members requests to discuss the decision at a meeting attended by the members , and the committee may always hold telephone meetings or any other way in which the members meet remotely .</p> <p>7. The Secretariat of the Committee shall send a reminder of the date of the place of the meeting well in advance of the date of the meeting , accompanied by the agenda of the meeting .</p> <p>8. The Secretariat of the Committee shall document the meetings and deliberations of the Committee in the minutes of its meetings .</p>
<p>Sixth : Tasks , terms of reference and responsibilities of the Committee and its Chairman</p> <p><u>With regard to nominations :</u></p> <p>1. Propose clear policies and criteria for membership in the Board of Directors and recommend to the Board before being approved by the General Assembly of the Company .</p> <p>2. Recommending to the Board of Directors nomination for membership of the Board or committees or for filling vacant positions or removal from them in accordance with the policies and standards approved and proposed by the Committee , taking into account the provisions of the nomination and membership policy of the Board of Directors .</p> <p>3. Recommending to the Board of Directors nominations for senior executive positions .</p>	<p>8 . Tasks , Roles and Responsibilities of the Committee</p> <p>The Committee shall enshrine the values of transparency and disclosure in the procedures for appointing and evaluating the performance of the members of the Board of Directors , the Chief Executive Officer and the senior executives .</p> <p>The Nomination and Remuneration Committee shall undertake the following tasks :</p> <p>Concerning bonuses :</p> <p>1. Prepare a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management , and submit it to the Board of Directors for</p>

4. Annual review of the structure of the Board of Directors and Executive Management and make recommendations on changes that can

consideration in preparation for approval by the General Assembly , taking into account the adoption of standards related to performance , disclosure , and verification of its implementation .

2. Clarifying the relationship between the rewards granted and the applicable remuneration policy , and indicating any material deviation from this policy .

<p>that are being made</p> <ol style="list-style-type: none"> 5. Annual review of the required needs for appropriate skills for membership of the Board of Directors . and executive management functions . 6. "Preparing a description of the required capabilities and qualifications for board membership and executive management positions ." 7. "Establishing procedures in the event of a vacancy within the board of directors or senior executive positions ." 8. Identifying weaknesses and strengths of the Board of Directors and proposing solutions to address such in line with the Company's interest . 9. The Committee submits its recommendation to the Board of Directors to propose the necessary mechanisms for the annual self-evaluation and supervision of the Board , and the evaluation can be carried out through an external party . 10. The committee supervises an induction program for new members , so that the program covers the company's activity , the nature of its business , and its financial , legal , governance and risk aspects . 11. Ensure on an annual basis the independence of the independent members , and the absence of a conflict of interest if the member is a member of the board of directors of another company , with an emphasis on the members of the board of directors to fill out the relevant forms . 12. Develop a program of indicators to measure performance and incentive programs and supervise their application . 13. Develop succession policies and procedures for the company's senior 	<p>This is politics .</p> <ol style="list-style-type: none"> 3. Periodically , reviewing of the remuneration policy and evaluating its effectiveness in achieving its objectives set . 4. Recommending to the Board of Directors the remunerations to be granted to the members of the Board of Directors , its committees and the senior executives of the Company in the light of the approved policy . 5. Submit an annual proposal to the Board of Directors for the annual budget of remuneration and incentives for senior executives in the company . 6. Annual appraisal of the CEO's performance and overseeing the appraisal of the performance of the rest of the senior executives when estimating their remuneration . <p>Ensure that the company adheres to internal incentive policies in order to achieve the interests of depositors and shareholders and the strategic objectives of the company .</p> <p>With regard to nominations :</p> <ol style="list-style-type: none"> 1. Recommending to the Board of Directors nomination for membership of the Board or committees or for filling vacant positions or removal from
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executives and leadership positions that are technically or technically sensitive .

Concerning bonuses :

1. "Preparing a clear policy for the remuneration of board members , sub-committees derived from the board , and executive management , aimed at enhancing administrative motivation and retaining outstanding personnel . This policy should be presented to the board of directors for review before being submitted to the general assembly for approval . It should also adhere to performance-related criteria , disclosure , and verification of implementation ."
2. Clarifying the relationship between the rewards granted and the applicable remuneration policy , and indicating any material deviation from this policy .
3. "Regular review of the remuneration policy , and evaluation of its effectiveness in achieving the intended objectives ."

them in accordance with the policies and standards approved and proposed by the Committee , taking into account the provisions of the nomination and membership policy of the Board of Directors .

2. Recommending to the Board of Directors nominations for senior executive positions .
3. Prepare a description of the capabilities and qualifications required for membership of the Board of Directors according to its need before nominating for each session .
4. Determining the time to be allocated by the member to the activities of the Board of Directors .
5. Annual review of the required needs for appropriate skills for membership of the Board of Directors . and executive management functions .
6. Reviewing the structure of the Board of Directors and the Executive Management while recommending changes that can be made .
7. Ensure the independence of independent members; once a year , and when nominating for membership of the Board at the beginning of each session .

<p>4. "Recommendation to the board of directors regarding the remuneration of board members , sub-committees derived from it , and company executives in accordance with the approved policy ."</p> <p>5. Submit an annual proposal to the Board of Directors for the annual budget of remuneration and incentives for senior executives in the company .</p> <p>6. Determine the types of bonuses granted to employees of the company , and recommend them , such as considering the salary scale and granting additional and exceptional benefits and related incentive plans .</p> <p>7. Review the CEO's recommendations on general criteria for financial remuneration and other benefits for senior executives .</p>	<p>8. Develop a register containing information on the qualifications and skills of the members of the Board in order to identify the additional skills required to activate the role of the Board and carry out its tasks and responsibilities and prepare a job description for executive members , non-executive members , independent members and senior executives .</p> <p>9. Reviewing the training needs of the Board and its members , proposing training programs for Board members , and supervising induction programs for new Board members .</p> <p>10. Recommending to the Board the names of external members nominated to assume duties in the permanent committees emanating from the Board .</p> <p>11. Seeking new candidates for membership of the Board , taking into account the need of the Board and the interest of the Company .</p> <p>12. Recommending to the Board everything related to improving the working environment in the company , training employees and the rules of their benefits and salaries .</p> <p>The committee shall not have executive powers or authorities related to nominations and remuneration , and it shall have the right to access any data or information from any party within the company . The committee may request and receive opinion and advice from inside and/or outside</p>
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	<p>the company within the limits of what is necessary to enable it to carry out its tasks .</p>
<p>To be deleted</p>	<p>9. Bonus Rules</p> <p>10. The remuneration and compensation of the members of the Board of Directors shall be in accordance with what is stated in the Articles of Association of the Company , the policy of remuneration and compensation of the members of the Board of Directors and the official instructions in this regard .</p> <p>11. The Committee periodically reviews the policy of remuneration rules and incentives for senior executives , and ensures that the size of the remuneration is consistent with local prevailing norms and regulatory systems , and is linked to the achievement of the interests of depositors</p>

	<p>and shareholders and the achievement of the company's long-term strategic objectives , as well as the achievement of annual target performance indicators .</p> <p>12. The CEO of the company shall submit to the committee the remuneration and salaries of senior executives before the start of their period of work in the company . The committee shall issue its recommendations to the board of directors regarding their approval or amendment , increase or decrease , in view of their experience and qualifications .</p> <p>The CEO of the Company shall submit to the Committee the remuneration and increases he deems appropriate for the senior executives . The Committee shall issue its recommendations to the Board of Directors regarding their approval or amendment , increase or decrease , in view of the performance of these employees and their results and in accordance with the performance indicators specified at the beginning of each year and what has been achieved .</p>
(b) The adoption of State and Entity laws on protection of witnesses; and	<p>13. . "Committee members' bonuses and allowances ."</p>

<ol style="list-style-type: none"> 1. The member of the Committee shall be entitled to the remuneration and attendance allowance prescribed within the remuneration and compensation policy of the members of the Board of Directors approved by the General Assembly 2. The members of the committee shall be paid all the actual expenses they incurred in order to attend the meetings of the committee , including travel , accommodation and accommodation expenses . 	<ol style="list-style-type: none"> 1. The member of the committee shall be entitled to the remuneration and allowances prescribed within the approved remuneration and compensation policy of the members of the Board of Directors 2. The members of the committee shall be paid all the actual expenses they incurred in order to attend the meetings of the committee , including travel , accommodation and accommodation expenses .
<p>Eighth : Other Tasks and Responsibilities <u>(Replaced by Reporting)</u></p> <ol style="list-style-type: none"> 1. Submit proposals to the Board regarding the approval of the appointment or dismissal of the CEO , acceptance of his resignation , or the resignation of any of the senior executives . 2. Assisting the Board of Directors in reviewing the organizational structure of the company . 3. The members of the committee must maintain the confidentiality of their work and discussions , and the obligation to maintain the confidentiality of the information and documents made available to them , and to judge their discretion and diligence in the work in a way that they believe in good faith to achieve the interests of the company , and it is never permissible to misuse or disclose that information to anyone other than a capacity , for the personal benefit of the member or one of his relatives or others , and the company has the right to request him to delegate in the event of violation of what is stated in this article , and the prohibition also applies to the secretary of the committee 	<ol style="list-style-type: none"> 14. Reporting The Committee submits its reports to the Board of Directors , including its activities and recommendations .

<p>4. 3 . Review the minutes of previous committee meetings and ensure that there are no outstanding issues .</p>	
<p>Final Provisions :</p> <p>The regulation shall be effective (and any subsequent amendments thereto) based on the proposal of the Board of Directors from the date of its approval by the General Assembly ,</p>	<p>15. New article</p>

Items proposed to be amended to the remuneration policy of the members of the Board of Directors, the sub-committees and the executive management of the Arabian Pipes Company

Current items (after modification)	Existing clauses (before amendment)
<p>1:Introduction</p> <p>The "Remuneration Policy of the Board of Directors, its committees and the Executive Management" aims to implement paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/5/1438 AH corresponding to 13/02/2017AD, as amended by the Board of the Capital Market Authority Resolution No. 8-5-2023 dated 25/6/1444 AH corresponding to 18/1/2023 AD, which stipulated that the Nomination and Remuneration Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management and submit them to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that the policy takes into account criteria related to performance, disclosure and verification of its implementation.</p> <p>Accordingly, and in order to comply with the regulatory requirements, the Company has prepared this policy and approved it by the Board of Directors and then the General Assembly of the Company.</p>	<p>1. Introduction:</p> <p>The Saudi Companies Law issued on 7341AH/2015AD stipulates in Article (76) thereof that the company's articles of association shall specify the method of remuneration of the members of the Board of Directors. Such remuneration shall be a certain amount, an attendance allowance for the sessions, in-kind benefits or a certain percentage of the net profits. Two or more of these benefits may be combined. The company's articles of association shall specify in its article (21) that the criteria for estimating and disbursing the remuneration of the members of the Board of Directors shall be determined in accordance with this policy and the official decisions and instructions issued in this regard. These regulations and instructions shall be limited to this policy.</p> <p>The regulatory controls and procedures issued for the implementation of the system for the companies of the listed joint stock companies and the guideline issued by the Capital Market Authority in Chapter Two thereof referred to the regulatory controls for the remuneration of the members of the Board of Directors in joint stock companies.</p> <p>As indicated in the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution (8-16-2017) dated 16/5/1438 AH, corresponding to 13/2/2017, in Article (61) thereof, the Remuneration Committee shall develop clear policies for remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management and submit them to the Board for consideration in preparation for adoption by the General Assembly. When developing these policies, the use of criteria related to performance, disclosure and verification of their implementation shall be taken into account. Article (62) of the Regulations specifies the most important things to be taken into account</p>

	<p>in the remuneration policy and Article (93) specifies the mechanism for disclosure of remuneration Accordingly, and in order to comply with the regulatory requirements, the Company has prepared this policy and approved it by the Board of Directors and then the General Assembly of the Company.</p>
<p>This material has been deleted</p>	<p>2. Scope of Policy</p> <p>The scope of this policy is designed with the aim of setting clear and specific standards and procedures that clarify for the shareholders of the company the conditions, standards and procedures followed when granting remuneration to the members of the Board of Directors, members of committees and senior executives of the company, in addition to determining the general framework for the governance and structure of the remuneration of senior executives of the company</p>

Definitions

Company:-

.للأنابيب العربية الشركة.

Board of Directors

.للأنابيب العربية الشركة.

Board Committees

Committees emanating from the Board of Directors of the Arab Pipes Company.

Bonuses

Amounts, allowances, profits and the like, periodic or annual bonuses associated with performance, short-term or long-term incentive plans, and any other in-kind benefits.

The General Meeting

An association formed from all the shareholders of the Company under the provisions of the Companies Law and the Articles of Association of the Company.

Executive member: S. Rajendran

A member of the Board of Directors who is a member of the executive management of the company and participates in the daily management of it and receives a salary from it for that.

Non-Executive Member

A member of the Board of Directors who is not a full-time director of the company or does not receive a salary from it, except for the membership bonus for the board and committees.

Independent Member

A non-executive member of the Board of Directors who enjoys complete independence in his position and decisions, and none of the independence symptoms stipulated in the Corporate Governance Regulations apply to him.

Senior Executives

The Chief Executive Officer and the employees of the Chief Executive Officer.

3 Definitions

Company:-

The Arabian Pipes Company.

Board of Directors

The Arabian Pipes Company.

Board Committees

Committees emanating from the Board of Directors of the Arab Pipes Company.

Audit Committee

It is a committee formed by a decision of the General Assembly, and it is competent with monitoring the company's business.

Bonuses

Amounts, allowances, profits and their equivalents, periodic or annual performance-related bonuses, short or long-term incentive plans, and any other tangible benefits except for reasonable actual expenses incurred by the company for a board member in the course of performing their duties.

The General Meeting

An association formed from all the shareholders of the Company under the provisions of the Companies Law and the Articles of Association of the Company.

Executive member: S. Rajendran

A member of the Board of Directors who is a member of the executive management of the company and participates in the daily management of it and receives a salary from it for that.

Non-Executive Member

A member of the Board of Directors who is not full-time to manage the company or does not receive a salary from it, except for the membership remuneration for the board and committees.

Independent Member

A non-executive member of the Board of Directors who enjoys complete independence in his position and decisions, and none of the independence symptoms stipulated in the Corporate Governance Regulations apply to him.

Senior Executives

The Chief Executive Officer and the employees of the Chief Executive Officer.

This material has been deleted

General Provisions:-

This Policy is drafted in [Arabic] and English. The Human Resources Group shall periodically review this policy in accordance with the policies followed in the company and the regulations issued by the relevant authorities.

This material has been deleted

5. Policy Regulatory Framework:

The Companies Law indicated in Article (76) that if the remuneration of the members of the Board of Directors is a certain percentage of the company's profits, this percentage may not exceed 10% of the net profits after deducting the reserves decided by the General Assembly and after distributing a dividend to shareholders of not less than 5% of the company's paid-up capital. It also stipulated that the entitlement to this remuneration shall be in proportion to the number of sessions attended by the member, and any estimate to the contrary shall be void. In all cases, the remuneration and financial or in-kind benefits received by the member of the Board of Directors shall not exceed the maximum limit stipulated in the Companies Law.

The Corporate Governance Regulations issued by the Capital Market Authority also indicated in Article (62) that the remuneration policy must be consistent with the company's strategy and objectives and provide remuneration for the purpose of urging the members of the Board of Directors and the executive management to ensure the long-term success and development of the company, such as linking the variable part of the remuneration to long-term performance. The remuneration should be determined based on the level of the job, the tasks and responsibilities assigned to the incumbent, academic qualifications, practical experience, skills and level of performance, be consistent with the size, nature and degree of risk of the company, take into account the practices of other companies in determining remuneration, while avoiding the unjustified rise in remuneration and compensation that may result, and aim to attract, maintain and motivate professional competencies, while not exaggerating them. . And it should be prepared in coordination with the Nomination Committee for new appointments. It is also necessary to specify the cases in which the payment of the bonus should be suspended or recovered if it is found to have been granted based on inaccurate information provided by a board member or executive management; this is to prevent the exploitation of the position to obtain undeserved bonuses.. It shall regulate the process of granting shares in the company to the members of the board of directors and the executive management, whether it is a new issue or shares purchased by the company.

The regulatory controls and procedures issued by the Capital Market Authority in implementation of the

Companies Law for Joint Stock Companies listed in Part II thereof referred to the regulatory controls for the remuneration of members of the Board of Directors in joint stock companies, which stipulate that the Board shall take into account in determining and disbursing the remuneration received by each of the members of the Board – in addition to the controls contained in the Companies Law and the Corporate Governance Regulations - that the remuneration shall be fair and proportionate to the member's competencies, business and responsibilities in addition to the objectives specified by the Board of Directors to be achieved during the fiscal year and shall be based on the recommendation of the Nomination and Remuneration Committee. commensurate with the Company's activity and the skill and experience required to manage it. Taking into account the sector in which the company operates, its size and the experience of the board members and be reasonably sufficient to attract and motivate suitably qualified and experienced board members

and keep them.

A member of the Board of Directors may receive a remuneration for his membership in the committees formed by the Board in accordance with the approved corporate governance system or for any additional executive, technical, administrative or advisory work or positions assigned to him in the Company, in addition to the remuneration that he may receive in his capacity as a member of the Board of Directors in accordance with the Companies Law and the Articles of Association of the Company. The remuneration of the members of the Board may also vary in amount to reflect the extent of the member's experience, competencies, independence, the number of meetings he attends and other considerations. The remuneration of the independent directors shall be a lump sum and not a percentage of the profits in order to ensure the impartiality of their decisions.

General criteria for rewards

The Nomination and Remuneration Committee shall recommend to the Board of Directors the remuneration of the members of the Board, members of the committees and senior executives of the Company, in accordance with the approved criteria, which are the following:

1. The remuneration should be commensurate with the company's activity and the skill required to manage it.
2. The bonuses should be aimed at motivating the board members and executive management to ensure the success and long-term growth of the company.
3. The company must take into account the consistency of the remuneration with the company's strategy and the size and nature of the risks surrounding it.
4. **4. Taking into consideration the sector in which the company operates and the practices of other companies in determining bonuses, while avoiding any unjustified increases in bonuses and compensations that may arise from this.**
5. **5. Bonuses are determined based on job level, tasks and responsibilities, academic qualifications, practical experience, and performance level.**
6. **This policy aims to attract, maintain and motivate professional competencies, while not exaggerating them, and that rewards are reasonably sufficient to achieve.**
7. The remuneration shall be fair and proportionate to the member's competencies, business and responsibilities, and shall be borne by the members of the Board of Directors or committees, in addition to other objectives set by the Board of Directors for each fiscal year.
8. The remuneration of the members of the Board of Directors shall be varied in

1.2: Remuneration and compensation of directors .

1. The member of the Board of Directors shall receive an annual remuneration determined on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, provided that such recommendation is submitted to the General Assembly for approval .
2. The member of the Board of Directors shall receive an amount of (3,000) Saudi riyals for attending each session of the Board, whether attending directly or through any of the remote communication features.
3. The company shall pay all actual expenses incurred by the member of the Board of Directors in order to attend the meetings of the Board, including travel, accommodation and accommodation expenses.
4. A member of the Board of Directors may combine an annual remuneration with attendance allowances and the prescribed percentage of profits as stipulated in Article 44 of the Company's Articles of Association, provided that the total remuneration received by the member of the Board of Directors shall not exceed the maximum stipulated in the Companies Law.

amount so as to reflect the extent of the member's experience

its competences and the tasks assigned to it.

9. The payment of the remuneration shall be suspended if it is found that it is based on inaccurate or false information submitted by the person concerned, in order to prevent the exploitation of the employment status to obtain undue remuneration

Fourth: Remuneration and Compensation of Directors and their Committees

1. The Nomination and Remuneration Committee submits to the Board of Directors a recommendation regarding the remuneration of the members of the Board of Directors from a certain amount, an attendance allowance for meetings, in-kind benefits, an expense allowance, or a percentage of profits. It is permissible to combine two or more of these benefits. The Board of Directors shall submit to the Ordinary General Assembly the maximum limit for such remuneration each year separately. The Ordinary General Assembly shall determine the amount of such remuneration, taking into account that the remuneration shall be fair and motivating for the performance of the member and the performance of the company, and shall determine the regulations and commensurate with the necessary controls.
2. The remuneration of the members may be of varying amount to reflect the member's experience, specialization, tasks entrusted to him, the number of sessions he attended, and any other considerations.
3. **3. The Board of Directors' report to the ordinary general assembly in its annual meeting must include a comprehensive statement of all the compensation each board member received or was entitled to receive during the fiscal year. This includes bonuses, attendance fees, expense allowances, and other benefits. The report should also include a statement of any payments received by board members as employees or administrators, or for technical, administrative, or consulting services. Additionally, the report should provide a statement of the number of board meetings held and the number of meetings attended by each member. .**

2.2 Remuneration and compensation of the members of the Board of Directors of the Company for their membership in the committees emanating from the Board of Directors

1. Without prejudice to what is stated in Clause 4.2 of this policy, a member of the Board of Directors of the Company shall receive a lump sum remuneration of (150,000) Saudi riyals for his participation in the work of one or more sub-committees of the Board of Directors.
2. The member of the Board of Directors shall receive an amount of (3,000) Saudi riyals for attending each session of the committees emanating from the Board, whether attending directly or through any of the remote communication features.
3. The Company shall pay all actual expenses incurred by the member of the Board of Directors in order to attend the meetings of the Committee, including travel, accommodation and accommodation expenses.

<p>4. A member of the Board of Directors of the Company shall receive a lump sum . remuneration of(150,000) Saudi riyals for his participation in the work of one or more sub-committees of the Board of Directors .</p> <p>5. The member of the Board of Directors shall receive an amount of (3,000) Saudi riyals for attending each session of the Board of Directors or the committees emanating from the Board, whether attending directly or from</p>	
<p>6. Through modern technological means.</p> <p>7. The Company shall pay all actual expenses incurred by the member of the Board of Directors in order to attend the meetings of the Board or the Committee, including travel, accommodation and accommodation expenses</p>	
<p>Fifth : Remuneration and compensation of members from outside the Board of Directors of the Company for their membership in the committees emanating from the Board of Directors</p> <p>Each member of the committees emanating from the Board of Directors of the Company shall receive from outside the Board a lump sum (according to the contract concluded with him) that includes all travel, accommodation and accommodation expenses.</p>	<p>3.2 Remuneration and compensation of members from outside the Board of Directors of the Company for their membership in the committees emanating from the Board of Directors</p> <p>Each member of the committees emanating from the Board of Directors of the Company shall receive from outside the Board a lump sum (according to the contract concluded with him) that includes all travel, accommodation and accommodation expenses, if required.</p>

Sixth: Remuneration and Benefits of Executive Management

Nomination & Remuneration CommitteeThe Committee reviews the salaries of senior executives and incentive plans and programs on an ongoing basis. The Committee reviews the annual remuneration of senior executives according to the performance measurement indicators approved by the Board of Directors. The remuneration and compensation of the executive management include the following:

1. 1. Basic salary (paid at the end of each Gregorian month).
2. Allowances including for example (transportation allowance, housing allowance, telephone allowance)
3. Employee and Family Medical Insurance Benefits
4. An annual remuneration linked to the performance measurement indicators in accordance with the annual evaluation, and based on what is submitted by the CEO, provided that the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors .
5. Short-term incentive plans associated with exceptional performance and long-term incentive plans such as equity programs (if any).
6. Sales-related incentives if any.
7. Other benefits include, for example, annual airfare
8. . The CEO executes the executive management compensation policy based on the recommendation of the Compensation Committee and approval by the Board.

3.3 Rewards and benefits of the executive management

Nomination & Remuneration CommitteeThe Remuneration and Nomination Committee reviews the annual remuneration for senior executives according to the performance measurement indicators approved by the Board of Directors. The remuneration and compensation for the executive management includes the following:

Basic salary to be paid at the end of each calendar month. Allowances include transportation allowance and housing allowance – medical insurance for him and his family - insurance of work injuries and total disability - annual bonus linked to performance indicators according to the annual evaluation - other benefits include leave and annual tickets, and end of service gratuity in accordance with the work system and human resources policy approved by the company.

The CEO implements the remuneration policy for the executive management according to the recommendations of the Remuneration and Nominations Committee and the approval of the Board.

Seventh : Executive Management Remuneration Criteria

Adding New Article

<p>The remuneration of the Company's employees and senior executives is determined based on the following criteria: -</p> <ol style="list-style-type: none"> 1. In determining and adjusting the basic salary of the company's employee, his abilities, professional competence, professional history and work service shall be taken into account. 2. For the newly appointed employees of the Company, their salaries shall be determined by a decision of the Chief Executive Officer in accordance with the Company's recruitment policy. 3. Fixed bonuses, whether a lump sum or a certain percentage of sales, shall be determined and approved by the CEO in accordance with the internal regulations. 4. The Nomination and Remuneration Committee shall annually review the salaries of the Company's employees. 5. The annual performance-related remuneration shall be determined by the Nomination and Remuneration Committee in accordance with the recommendations of the CEO . 6. The CEO shall implement the remuneration policy for employees and senior executives in light of the plans and programs recommended by the Nomination and Remuneration Committee. 	
<p>Seventh : Granting Shares</p> <p>The Company shall not grant in-kind shares as a remuneration to any of the members of the Board or the committees affiliated with the Board.</p>	<p>3.4 Award of Shares</p> <p>The Company shall not grant in-kind shares as a remuneration to any of the members of the Board or the committees affiliated with the Board.</p>

1.2 Mechanisms for Determining and Paying Remuneration and Compensation to Directors, Committees and Senior Executives

1. Bonuses for independent board members should not be a percentage of the company's profits or directly or indirectly tied to the company's profitability.
2. If it is found that bonuses paid to any board members are based on inaccurate or misleading information presented to the general assembly or included in the annual Board of Directors' report, the board member must return them to the company, and the company has the right to demand their return...
3. If the General Assembly decides to terminate the membership of any of the members of the Board of Directors, the member shall not be entitled to any remuneration and shall return all remuneration paid to him for the period in which his membership was revoked.
4. The remuneration and allowances of the members of the Board and the members of the committees emanating from the Board shall be disbursed on an annual basis.

3.5 Mechanisms for Determining and Paying Remuneration and Compensation to Directors, Committees and Senior Executives

1. Bonuses for independent board members should not be a percentage of the company's profits or directly or indirectly tied to the company's profitability.
2. If it is found that bonuses paid to any board members are based on inaccurate or misleading information presented to the general assembly or included in the annual Board of Directors' report, the board member must return them to the company, and the company has the right to demand their return. If the General Assembly decides to terminate the membership of any of the members of the Board of Directors, the member shall not be entitled to any remuneration and shall return all remuneration paid to him for the period in which his membership was revoked.
3. The remuneration and allowances of the members of the Board and the members of the committees emanating from the Board shall be disbursed on an annual basis.
4. The annual remuneration shall be divided between the two members of the Board of Directors in the event of resignation and the appointment of a new member of the Board of Directors.

<p>5. The annual remuneration shall be divided between the two members of the Board of Directors in the event of resignation and the appointment of a new member of the Board of Directors, according to the date of appointment.</p> <p>6. The remuneration shall be divided among the members of the Board in the event of the end of a session of the Board and the start of a new session, according to the date of the start of the session.</p> <p>7. Compensation and remuneration due to members of the Board of Directors and members of committees from outside the Board shall be calculated on an annual basis on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, and then all amounts shall be submitted to the General Assembly for approval at its nearest meeting.</p> <p>8. . Bonuses may vary in amount to reflect the member's experience, expertise, assigned tasks, independence, attendance at meetings, and other relevant considerations.</p> <p>9. . The attendance allowance shall be paid annually to the beneficiaries based on their attendance records of the meetings of the Board of Directors or the committees emanating from it.</p> <p>10. The remuneration shall be paid by transfer to accounts, bank checks or any other means approved by the Company, the details of which shall be notified to the Members through the relevant department of the Company.</p>	<p>Appointment Date</p> <p>5. The remuneration shall be divided among the members of the Board in the event of the end of a session of the Board and the start of a new session, according to the date of the start of the session.</p> <p>6. Compensation and remuneration due to members of the Board of Directors and members of committees from outside the Board shall be calculated on an annual basis on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors , and then all amounts shall be submitted to the General Assembly for approval at its nearest meeting.</p> <p>7. . Bonuses may vary in amount to reflect the member's experience, expertise, assigned tasks, independence, attendance at meetings, and other relevant considerations.</p> <p>8. . The attendance allowance shall be paid annually to the beneficiaries based on their attendance records of the meetings of the Board of Directors or the committees emanating from it.</p> <p>9. The remuneration shall be paid by transfer to accounts, bank checks or any other means approved by the Company, the details of which shall be notified to the Members through the relevant department of the Company.</p>
<p>1.4 Disclosure of Bonuses.</p> <p>Bonuses are disclosed in accordance with the regulations issued by the relevant authorities.</p>	<p>1.3 Disclosure of Bonuses.</p> <p>Bonuses are disclosed in accordance with the regulations issued by the relevant authorities.</p>

<p>Eighth :Stopping the disbursement of the stipend</p> <ol style="list-style-type: none"> 1. If the general assembly decides to terminate the membership of a board member who has been absent from three consecutive board meetings without a valid excuse, this member is not entitled to any bonuses for the period following the last attended meeting. The ousted member must also return all bonuses paid to them for that period. 2. If the Audit Committee or the Authority finds that the remuneration was disbursed on the basis of incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board, the member must refund those amounts to the company, and the company has the right to ask him to refund them. 	<p>1.5 Suspension of stipend disbursement</p> <p>If the General Assembly decides to terminate the membership of an absent member of the Board of Directors due to his failure to attend three consecutive meetings or five separate meetings of the Board during the term of his membership without a legitimate excuse accepted by the Board, such member shall not be entitled to any remuneration for the period following the last meeting he attended, and he shall return all remuneration paid to him for that period.</p> <p>If the Audit Committee or the Authority finds that the remuneration was disbursed on the basis of incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board, the member must refund those amounts to the company, and the company has the right to ask him to refund them.</p>
<p>Delete Article</p>	<p>7. References</p>
	<p>This policy has been prepared based on the following regulations and instructions:</p> <ol style="list-style-type: none"> 1. Companies Law issued on 1341AH/2015AD. 2. Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution (8-16-2017) dated 16/5/1438AH corresponding to 13/2/2017. 3. Regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies and its guideline issued by the Capital Market Authority.

Ninth : Review and Enforcement

- 1.** The policy is subject to periodic review and supervision – when needed - by the Remuneration and Nomination Committee.
- 2.** This regulation shall not be amended except on the recommendation of the Remuneration and Nomination Committee, and the amendment shall not take effect until after the approval of the general assembly of the company, unless the laws, regulations, and instructions issued by the competent entities include otherwise.
- 3.** The provisions of this policy shall be implemented and adhered to by the company starting from its approval by the General Assembly of Shareholders.

8. Review and Enforcement

- 1) The regulation is subject to periodic review and supervision – when needed - by the Remuneration and Nomination Committee.
- 2) This regulation is complementary and an integral part of the company's governance regulation and the company's articles of association.
- 3) All that is not provided for in this regulation shall be subject to the Saudi Companies Law and its regulations, the Capital Market Authority Law and its regulations, the Company's Basic Law and the decisions issued by the competent authorities in relation to the regulation.
- 4) This regulation shall not be amended except on the recommendation of the Remuneration and Nomination Committee, and the amendment shall not take effect until after the approval of the general assembly of the company, unless the laws, regulations, and instructions issued by the competent entities include otherwise.

Items proposed to be amended to the remuneration policy of the members of the Board of Directors, the sub-committees and the executive management of the Arabian Pipes Company

Current items (after modification)	Existing clauses (before amendment)
<p>1:Introduction</p> <p>The "Remuneration Policy of the Board of Directors, its committees and the Executive Management" aims to implement paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 16/5/1438 AH corresponding to 13/02/2017AD, as amended by the Board of the Capital Market Authority Resolution No. 8-5-2023 dated 25/6/1444 AH corresponding to 18/1/2023 AD, which stipulated that the Nomination and Remuneration Committee shall prepare a clear policy for the remuneration of the members of the Board of Directors and the committees emanating from the Board and the Executive Management and submit them to the Board of Directors for consideration in preparation for approval by the General Assembly, provided that the policy takes into account criteria related to performance, disclosure and verification of its implementation.</p> <p>Accordingly, and in order to comply with the regulatory requirements, the Company has prepared this policy and approved it by the Board of Directors and then the General Assembly of the Company.</p>	<p>1. Introduction:</p> <p>The Saudi Companies Law issued on 7341AH/2015AD stipulates in Article (76) thereof that the company's articles of association shall specify the method of remuneration of the members of the Board of Directors. Such remuneration shall be a certain amount, an attendance allowance for the sessions, in-kind benefits or a certain percentage of the net profits. Two or more of these benefits may be combined. The company's articles of association shall specify in its article (21) that the criteria for estimating and disbursing the remuneration of the members of the Board of Directors shall be determined in accordance with this policy and the official decisions and instructions issued in this regard. These regulations and instructions shall be limited to this policy.</p> <p>The regulatory controls and procedures issued for the implementation of the system for the companies of the listed joint stock companies and the guideline issued by the Capital Market Authority in Chapter Two thereof referred to the regulatory controls for the remuneration of the members of the Board of Directors in joint stock companies.</p> <p>As indicated in the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution (8-16-2017) dated 16/5/1438 AH, corresponding to 13/2/2017, in Article (61) thereof, the Remuneration Committee shall develop clear policies for remuneration of members of the Board of Directors and the committees emanating from the Board and the Executive Management and submit them to the Board for consideration in preparation for adoption by the General Assembly. When developing these policies, the use of criteria related to performance, disclosure and verification of their implementation shall be taken into account. Article (62) of the Regulations specifies the most important things to be taken into account</p>

	<p>in the remuneration policy and Article (93) specifies the mechanism for disclosure of remuneration Accordingly, and in order to comply with the regulatory requirements, the Company has prepared this policy and approved it by the Board of Directors and then the General Assembly of the Company.</p>
<p>This material has been deleted</p>	<p>2. Scope of Policy</p> <p>The scope of this policy is designed with the aim of setting clear and specific standards and procedures that clarify for the shareholders of the company the conditions, standards and procedures followed when granting remuneration to the members of the Board of Directors, members of committees and senior executives of the company, in addition to determining the general framework for the governance and structure of the remuneration of senior executives of the company</p>

Definitions

Company:-

.للأنابيب العربية الشركة.

Board of Directors

.للأنابيب العربية الشركة.

Board Committees

Committees emanating from the Board of Directors of the Arab Pipes Company.

Bonuses

Amounts, allowances, profits and the like, periodic or annual bonuses associated with performance, short-term or long-term incentive plans, and any other in-kind benefits.

The General Meeting

An association formed from all the shareholders of the Company under the provisions of the Companies Law and the Articles of Association of the Company.

Executive member: S. Rajendran

A member of the Board of Directors who is a member of the executive management of the company and participates in the daily management of it and receives a salary from it for that.

Non-Executive Member

A member of the Board of Directors who is not a full-time director of the company or does not receive a salary from it, except for the membership bonus for the board and committees.

Independent Member

A non-executive member of the Board of Directors who enjoys complete independence in his position and decisions, and none of the independence symptoms stipulated in the Corporate Governance Regulations apply to him.

Senior Executives

The Chief Executive Officer and the employees of the Chief Executive Officer.

3 Definitions

Company:-

The Arabian Pipes Company.

Board of Directors

The Arabian Pipes Company.

Board Committees

Committees emanating from the Board of Directors of the Arab Pipes Company.

Audit Committee

It is a committee formed by a decision of the General Assembly, and it is competent with monitoring the company's business.

Bonuses

Amounts, allowances, profits and their equivalents, periodic or annual performance-related bonuses, short or long-term incentive plans, and any other tangible benefits except for reasonable actual expenses incurred by the company for a board member in the course of performing their duties.

The General Meeting

An association formed from all the shareholders of the Company under the provisions of the Companies Law and the Articles of Association of the Company.

Executive member: S. Rajendran

A member of the Board of Directors who is a member of the executive management of the company and participates in the daily management of it and receives a salary from it for that.

Non-Executive Member

A member of the Board of Directors who is not full-time to manage the company or does not receive a salary from it, except for the membership remuneration for the board and committees.

Independent Member

A non-executive member of the Board of Directors who enjoys complete independence in his position and decisions, and none of the independence symptoms stipulated in the Corporate Governance Regulations apply to him.

Senior Executives

The Chief Executive Officer and the employees of the Chief Executive Officer.

This material has been deleted

General Provisions:-

This Policy is drafted in [Arabic] and English. The Human Resources Group shall periodically review this policy in accordance with the policies followed in the company and the regulations issued by the relevant authorities.

This material has been deleted

5. Policy Regulatory Framework:

The Companies Law indicated in Article (76) that if the remuneration of the members of the Board of Directors is a certain percentage of the company's profits, this percentage may not exceed 10% of the net profits after deducting the reserves decided by the General Assembly and after distributing a dividend to shareholders of not less than 5% of the company's paid-up capital. It also stipulated that the entitlement to this remuneration shall be in proportion to the number of sessions attended by the member, and any estimate to the contrary shall be void. In all cases, the remuneration and financial or in-kind benefits received by the member of the Board of Directors shall not exceed the maximum limit stipulated in the Companies Law.

The Corporate Governance Regulations issued by the Capital Market Authority also indicated in Article (62) that the remuneration policy must be consistent with the company's strategy and objectives and provide remuneration for the purpose of urging the members of the Board of Directors and the executive management to ensure the long-term success and development of the company, such as linking the variable part of the remuneration to long-term performance. The remuneration should be determined based on the level of the job, the tasks and responsibilities assigned to the incumbent, academic qualifications, practical experience, skills and level of performance, be consistent with the size, nature and degree of risk of the company, take into account the practices of other companies in determining remuneration, while avoiding the unjustified rise in remuneration and compensation that may result, and aim to attract, maintain and motivate professional competencies, while not exaggerating them. . And it should be prepared in coordination with the Nomination Committee for new appointments. It is also necessary to specify the cases in which the payment of the bonus should be suspended or recovered if it is found to have been granted based on inaccurate information provided by a board member or executive management; this is to prevent the exploitation of the position to obtain undeserved bonuses.. It shall regulate the process of granting shares in the company to the members of the board of directors and the executive management, whether it is a new issue or shares purchased by the company.

The regulatory controls and procedures issued by the Capital Market Authority in implementation of the

Companies Law for Joint Stock Companies listed in Part II thereof referred to the regulatory controls for the remuneration of members of the Board of Directors in joint stock companies, which stipulate that the Board shall take into account in determining and disbursing the remuneration received by each of the members of the Board – in addition to the controls contained in the Companies Law and the Corporate Governance Regulations - that the remuneration shall be fair and proportionate to the member's competencies, business and responsibilities in addition to the objectives specified by the Board of Directors to be achieved during the fiscal year and shall be based on the recommendation of the Nomination and Remuneration Committee. commensurate with the Company's activity and the skill and experience required to manage it. Taking into account the sector in which the company operates, its size and the experience of the board members and be reasonably sufficient to attract and motivate suitably qualified and experienced board members

and keep them.

A member of the Board of Directors may receive a remuneration for his membership in the committees formed by the Board in accordance with the approved corporate governance system or for any additional executive, technical, administrative or advisory work or positions assigned to him in the Company, in addition to the remuneration that he may receive in his capacity as a member of the Board of Directors in accordance with the Companies Law and the Articles of Association of the Company. The remuneration of the members of the Board may also vary in amount to reflect the extent of the member's experience, competencies, independence, the number of meetings he attends and other considerations. The remuneration of the independent directors shall be a lump sum and not a percentage of the profits in order to ensure the impartiality of their decisions.

General criteria for rewards

The Nomination and Remuneration Committee shall recommend to the Board of Directors the remuneration of the members of the Board, members of the committees and senior executives of the Company, in accordance with the approved criteria, which are the following:

1. The remuneration should be commensurate with the company's activity and the skill required to manage it.
2. The bonuses should be aimed at motivating the board members and executive management to ensure the success and long-term growth of the company.
3. The company must take into account the consistency of the remuneration with the company's strategy and the size and nature of the risks surrounding it.
4. **4. Taking into consideration the sector in which the company operates and the practices of other companies in determining bonuses, while avoiding any unjustified increases in bonuses and compensations that may arise from this.**
5. **5. Bonuses are determined based on job level, tasks and responsibilities, academic qualifications, practical experience, and performance level.**
6. **This policy aims to attract, maintain and motivate professional competencies, while not exaggerating them, and that rewards are reasonably sufficient to achieve .**
7. The remuneration shall be fair and proportionate to the member's competencies, business and responsibilities, and shall be borne by the members of the Board of Directors or committees, in addition to other objectives set by the Board of Directors for each fiscal year.
8. The remuneration of the members of the Board of Directors shall be varied in

1.2: Remuneration and compensation of directors .

1. The member of the Board of Directors shall receive an annual remuneration determined on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, provided that such recommendation is submitted to the General Assembly for approval .
2. The member of the Board of Directors shall receive an amount of (3,000) Saudi riyals for attending each session of the Board, whether attending directly or through any of the remote communication features.
3. The company shall pay all actual expenses incurred by the member of the Board of Directors in order to attend the meetings of the Board, including travel, accommodation and accommodation expenses.
4. A member of the Board of Directors may combine an annual remuneration with attendance allowances and the prescribed percentage of profits as stipulated in Article 44 of the Company's Articles of Association, provided that the total remuneration received by the member of the Board of Directors shall not exceed the maximum stipulated in the Companies Law.

amount so as to reflect the extent of the member's experience

its competences and the tasks assigned to it.

9. The payment of the remuneration shall be suspended if it is found that it is based on inaccurate or false information submitted by the person concerned, in order to prevent the exploitation of the employment status to obtain undue remuneration

Fourth: Remuneration and Compensation of Directors and their Committees

1. The Nomination and Remuneration Committee submits to the Board of Directors a recommendation regarding the remuneration of the members of the Board of Directors from a certain amount, an attendance allowance for meetings, in-kind benefits, an expense allowance, or a percentage of profits. It is permissible to combine two or more of these benefits. The Board of Directors shall submit to the Ordinary General Assembly the maximum limit for such remuneration each year separately. The Ordinary General Assembly shall determine the amount of such remuneration, taking into account that the remuneration shall be fair and motivating for the performance of the member and the performance of the company, and shall determine the regulations and commensurate with the necessary controls.
2. The remuneration of the members may be of varying amount to reflect the member's experience, specialization, tasks entrusted to him, the number of sessions he attended, and any other considerations.
3. **3. The Board of Directors' report to the ordinary general assembly in its annual meeting must include a comprehensive statement of all the compensation each board member received or was entitled to receive during the fiscal year. This includes bonuses, attendance fees, expense allowances, and other benefits. The report should also include a statement of any payments received by board members as employees or administrators, or for technical, administrative, or consulting services. Additionally, the report should provide a statement of the number of board meetings held and the number of meetings attended by each member. .**

2.2 Remuneration and compensation of the members of the Board of Directors of the Company for their membership in the committees emanating from the Board of Directors

1. Without prejudice to what is stated in Clause 4.2 of this policy, a member of the Board of Directors of the Company shall receive a lump sum remuneration of (150,000) Saudi riyals for his participation in the work of one or more sub-committees of the Board of Directors.
2. The member of the Board of Directors shall receive an amount of (3,000) Saudi riyals for attending each session of the committees emanating from the Board, whether attending directly or through any of the remote communication features.
3. The Company shall pay all actual expenses incurred by the member of the Board of Directors in order to attend the meetings of the Committee, including travel, accommodation and accommodation expenses.

<p>4. A member of the Board of Directors of the Company shall receive a lump sum . remuneration of(150,000) Saudi riyals for his participation in the work of one or more sub-committees of the Board of Directors .</p> <p>5. The member of the Board of Directors shall receive an amount of (3,000) Saudi riyals for attending each session of the Board of Directors or the committees emanating from the Board, whether attending directly or from</p>	
<p>6. Through modern technological means.</p> <p>7. The Company shall pay all actual expenses incurred by the member of the Board of Directors in order to attend the meetings of the Board or the Committee, including travel, accommodation and accommodation expenses</p>	
<p>Fifth : Remuneration and compensation of members from outside the Board of Directors of the Company for their membership in the committees emanating from the Board of Directors</p> <p>Each member of the committees emanating from the Board of Directors of the Company shall receive from outside the Board a lump sum (according to the contract concluded with him) that includes all travel, accommodation and accommodation expenses.</p>	<p>3.2 Remuneration and compensation of members from outside the Board of Directors of the Company for their membership in the committees emanating from the Board of Directors</p> <p>Each member of the committees emanating from the Board of Directors of the Company shall receive from outside the Board a lump sum (according to the contract concluded with him) that includes all travel, accommodation and accommodation expenses, if required.</p>

Sixth: Remuneration and Benefits of Executive Management

Nomination & Remuneration CommitteeThe Committee reviews the salaries of senior executives and incentive plans and programs on an ongoing basis. The Committee reviews the annual remuneration of senior executives according to the performance measurement indicators approved by the Board of Directors. The remuneration and compensation of the executive management include the following:

1. 1. Basic salary (paid at the end of each Gregorian month).
2. Allowances including for example (transportation allowance, housing allowance, telephone allowance)
3. Employee and Family Medical Insurance Benefits
4. An annual remuneration linked to the performance measurement indicators in accordance with the annual evaluation, and based on what is submitted by the CEO, provided that the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors .
5. Short-term incentive plans associated with exceptional performance and long-term incentive plans such as equity programs (if any).
6. Sales-related incentives if any.
7. Other benefits include, for example, annual airfare
8. . The CEO executes the executive management compensation policy based on the recommendation of the Compensation Committee and approval by the Board.

3.3 Rewards and benefits of the executive management

Nomination & Remuneration CommitteeThe Remuneration and Nomination Committee reviews the annual remuneration for senior executives according to the performance measurement indicators approved by the Board of Directors. The remuneration and compensation for the executive management includes the following:

Basic salary to be paid at the end of each calendar month. Allowances include transportation allowance and housing allowance – medical insurance for him and his family - insurance of work injuries and total disability - annual bonus linked to performance indicators according to the annual evaluation - other benefits include leave and annual tickets, and end of service gratuity in accordance with the work system and human resources policy approved by the company.

The CEO implements the remuneration policy for the executive management according to the recommendations of the Remuneration and Nominations Committee and the approval of the Board.

Seventh : Executive Management Remuneration Criteria

Adding New Article

<p>The remuneration of the Company's employees and senior executives is determined based on the following criteria: -</p> <ol style="list-style-type: none"> 1. In determining and adjusting the basic salary of the company's employee, his abilities, professional competence, professional history and work service shall be taken into account. 2. For the newly appointed employees of the Company, their salaries shall be determined by a decision of the Chief Executive Officer in accordance with the Company's recruitment policy. 3. Fixed bonuses, whether a lump sum or a certain percentage of sales, shall be determined and approved by the CEO in accordance with the internal regulations. 4. The Nomination and Remuneration Committee shall annually review the salaries of the Company's employees. 5. The annual performance-related remuneration shall be determined by the Nomination and Remuneration Committee in accordance with the recommendations of the CEO . 6. The CEO shall implement the remuneration policy for employees and senior executives in light of the plans and programs recommended by the Nomination and Remuneration Committee. 	
<p>Seventh : Granting Shares</p> <p>The Company shall not grant in-kind shares as a remuneration to any of the members of the Board or the committees affiliated with the Board.</p>	<p>3.4 Award of Shares</p> <p>The Company shall not grant in-kind shares as a remuneration to any of the members of the Board or the committees affiliated with the Board.</p>

1.2 Mechanisms for Determining and Paying Remuneration and Compensation to Directors, Committees and Senior Executives

1. Bonuses for independent board members should not be a percentage of the company's profits or directly or indirectly tied to the company's profitability.
2. If it is found that bonuses paid to any board members are based on inaccurate or misleading information presented to the general assembly or included in the annual Board of Directors' report, the board member must return them to the company, and the company has the right to demand their return...
3. If the General Assembly decides to terminate the membership of any of the members of the Board of Directors, the member shall not be entitled to any remuneration and shall return all remuneration paid to him for the period in which his membership was revoked.
4. The remuneration and allowances of the members of the Board and the members of the committees emanating from the Board shall be disbursed on an annual basis.

3.5 Mechanisms for Determining and Paying Remuneration and Compensation to Directors, Committees and Senior Executives

1. Bonuses for independent board members should not be a percentage of the company's profits or directly or indirectly tied to the company's profitability.
2. If it is found that bonuses paid to any board members are based on inaccurate or misleading information presented to the general assembly or included in the annual Board of Directors' report, the board member must return them to the company, and the company has the right to demand their return. If the General Assembly decides to terminate the membership of any of the members of the Board of Directors, the member shall not be entitled to any remuneration and shall return all remuneration paid to him for the period in which his membership was revoked.
3. The remuneration and allowances of the members of the Board and the members of the committees emanating from the Board shall be disbursed on an annual basis.
4. The annual remuneration shall be divided between the two members of the Board of Directors in the event of resignation and the appointment of a new member of the Board of Directors.

<p>5. The annual remuneration shall be divided between the two members of the Board of Directors in the event of resignation and the appointment of a new member of the Board of Directors, according to the date of appointment.</p> <p>6. The remuneration shall be divided among the members of the Board in the event of the end of a session of the Board and the start of a new session, according to the date of the start of the session.</p> <p>7. Compensation and remuneration due to members of the Board of Directors and members of committees from outside the Board shall be calculated on an annual basis on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors, and then all amounts shall be submitted to the General Assembly for approval at its nearest meeting.</p> <p>8. . Bonuses may vary in amount to reflect the member's experience, expertise, assigned tasks, independence, attendance at meetings, and other relevant considerations.</p> <p>9. . The attendance allowance shall be paid annually to the beneficiaries based on their attendance records of the meetings of the Board of Directors or the committees emanating from it.</p> <p>10. The remuneration shall be paid by transfer to accounts, bank checks or any other means approved by the Company, the details of which shall be notified to the Members through the relevant department of the Company.</p>	<p>Appointment Date</p> <p>5. The remuneration shall be divided among the members of the Board in the event of the end of a session of the Board and the start of a new session, according to the date of the start of the session.</p> <p>6. Compensation and remuneration due to members of the Board of Directors and members of committees from outside the Board shall be calculated on an annual basis on the recommendation of the Nomination and Remuneration Committee and the approval of the Board of Directors , and then all amounts shall be submitted to the General Assembly for approval at its nearest meeting.</p> <p>7. . Bonuses may vary in amount to reflect the member's experience, expertise, assigned tasks, independence, attendance at meetings, and other relevant considerations.</p> <p>8. . The attendance allowance shall be paid annually to the beneficiaries based on their attendance records of the meetings of the Board of Directors or the committees emanating from it.</p> <p>9. The remuneration shall be paid by transfer to accounts, bank checks or any other means approved by the Company, the details of which shall be notified to the Members through the relevant department of the Company.</p>
<p>1.4 Disclosure of Bonuses.</p> <p>Bonuses are disclosed in accordance with the regulations issued by the relevant authorities.</p>	<p>1.3 Disclosure of Bonuses.</p> <p>Bonuses are disclosed in accordance with the regulations issued by the relevant authorities.</p>

<p>Eighth :Stopping the disbursement of the stipend</p> <ol style="list-style-type: none"> 1. If the general assembly decides to terminate the membership of a board member who has been absent from three consecutive board meetings without a valid excuse, this member is not entitled to any bonuses for the period following the last attended meeting. The ousted member must also return all bonuses paid to them for that period. 2. If the Audit Committee or the Authority finds that the remuneration was disbursed on the basis of incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board, the member must refund those amounts to the company, and the company has the right to ask him to refund them. 	<p>1.5 Suspension of stipend disbursement</p> <p>If the General Assembly decides to terminate the membership of an absent member of the Board of Directors due to his failure to attend three consecutive meetings or five separate meetings of the Board during the term of his membership without a legitimate excuse accepted by the Board, such member shall not be entitled to any remuneration for the period following the last meeting he attended, and he shall return all remuneration paid to him for that period.</p> <p>If the Audit Committee or the Authority finds that the remuneration was disbursed on the basis of incorrect or misleading information that was presented to the General Assembly or included in the annual report of the Board, the member must refund those amounts to the company, and the company has the right to ask him to refund them.</p>
<p>Delete Article</p>	<p>7. References</p>
	<p>This policy has been prepared based on the following regulations and instructions:</p> <ol style="list-style-type: none"> 1. Companies Law issued on 1341AH/2015AD. 2. Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution (8-16-2017) dated 16/5/1438AH corresponding to 13/2/2017. 3. Regulatory controls and procedures issued in implementation of the Companies Law for Listed Joint Stock Companies and its guideline issued by the Capital Market Authority.

Ninth : Review and Enforcement

- 1.** The policy is subject to periodic review and supervision – when needed - by the Remuneration and Nomination Committee.
- 2.** This regulation shall not be amended except on the recommendation of the Remuneration and Nomination Committee, and the amendment shall not take effect until after the approval of the general assembly of the company, unless the laws, regulations, and instructions issued by the competent entities include otherwise.
- 3.** The provisions of this policy shall be implemented and adhered to by the company starting from its approval by the General Assembly of Shareholders.

8. Review and Enforcement

- 1) The regulation is subject to periodic review and supervision – when needed - by the Remuneration and Nomination Committee.
- 2) This regulation is complementary and an integral part of the company's governance regulation and the company's articles of association.
- 3) All that is not provided for in this regulation shall be subject to the Saudi Companies Law and its regulations, the Capital Market Authority Law and its regulations, the Company's Basic Law and the decisions issued by the competent authorities in relation to the regulation.
- 4) This regulation shall not be amended except on the recommendation of the Remuneration and Nomination Committee, and the amendment shall not take effect until after the approval of the general assembly of the company, unless the laws, regulations, and instructions issued by the competent entities include otherwise.